into consideration the various recommendations of the National Institute of Public Finance and Policy relating to evasion and avoidance of taxes. The Finance Act, 1987 has introduced provisions with effect from 1-4-1988' whereby any person having possession of any building or part thereof on 'Power of Attorney' basis will be deemed to be the owner of that property for the purposes of the Income-tax Act and the Wealth-tax. Act. The Central Government has also been empowered with certain pre-exemptive rights to purchase the immovable property in metropolitan cities of Delhi, Calcutta, Bombay, Madras, Bangalore and Ahmedabao with a view to curb understatement of value of real estate.

Rise in Total Debt Service

*93. SHR]| KRISHNA KUMAR BIRLA; Will the Minister of FINANCE be pleased to state:

(a) whether the total debt service (TDS) has been steadily rising and Government propose to resort to further borrowing to service the debts;

(b) if so, what is the percentage of rise in TDS during 1985-86, 1986-87 and 1987-88 (till date) and what is the consequential percentage of rise in the share of TDS in foreign liabilities; and

(c) to what extent Government po-pose to resort to further borrowing to finance liabilities and how it is going to reflect on the Indian economy as a whole?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) and (b) A statement is laid on the Table of the House. (See below)..

(c) The level of borrowings by the Government is dependent upon the flow of resources from tax and nontax sources on the one hand and the projected expenditures on the other hand. Normally, borrowings are PU* to productive uses through which the economy gains.

Statement'

Total charges paid towards servicing Internal market loans and external dabt of the Central Government and percentage increases thereof from 1985-86 *to* 1987-88 *(RE).*

Year	Total debt service charges. (Rs.crores)	Percentage Increases over the previous year	Debt servicing charees of external debt only (Rs. crcres)	Percentag Increase over the previous year
1985-86	4290	. 25.3	.1168	23.2
1986-87	5784	34.8	1661	42.3
1987-88 (RE)	6823	18.0	2309	39.0

Of the debt service charges, the interest charges are met from Revenue receipts while repayment of the principal is a part of the Capital Budget. Government does not borrow specifically to repay debt.